

**Rhode Island Economic Development Corporation
Enterprise Zone Council
Minutes of Meeting of February 28, 2006
RIEDC; 4th Floor, Room 1
One West Exchange Place
Providence, RI 02903**

Attendance:

Name Affiliation

**Ron Caniglia (Council Member)
Bill Parsons (Chairman's Designee)
Dan Varin (Council Member)
Michael Wood (Council Member)**

Name Affiliation

**Victor Barros (EDC Staff)
Sheri Carrera (EDC Staff)
Bill Clark (Portsmouth - Business Development)
Kathy Cosentino (Providence Zone)
Alan Crisman (Mt. Hope Zone)
Kathi Flanagan (EDC Staff)
Paul Fournier (RIFOC)
Michelle M. Godin (Needs, Inc.)
Carmen Lorenzo (EDC Staff)**

David Maher (City of Cranston)

Bob Malavich (Town of West Warwick)

Thomas M. Madden (Legal Counsel)

Virginia O'Shan (Division of Taxation)

Louis Soares (EDC Staff)

Rosalind Reid (EDC Staff)

Bruce Vild (Statewide Planning)

Vice Chairman Varin called the meeting to order at approximately 10:05 a.m.

The first item of business before the Council was consideration of the minutes of the November 22, 2005 meeting of the Council.

Mr. Parsons moved approval of the minutes, Mr. Caniglia seconded the motion. There being no discussion, the minutes were then unanimously approved.

The second item of business before the Council was consideration of the 2006 Recommendations for Membership list.

Mr. Barros noted that all eleven (11) businesses being presented for membership had completed applications, been approved by the local point of contact...and stated that staff recommended approval of all eleven (11), "the first 11, for 2006."

Ms. O'Shan then added with reference to an applicant business," The contractor, the land developer, project management, need to remember that their business activities [must] begin and end at a facility in the zone and not at a work site [outside a zone]."

Mr. Barros concurred and remarked that, "Because it comes up very often with new member businesses, we have...a form letter that goes out... that goes over all the criteria, emphasizing beginning and ending your day [in the zone]. So, I made note of that and a letter will follow."

Mr. Clark added, "And, for the record, it was discussed with the applicant.'

Mr. Caniglia then moved approval of all businesses on the list, Mr. Parsons seconded and the motion was unanimously approved.

The third item of business before the Council was consideration of the 2005 Certification list.

Mr. Barros stated that eight (8) businesses were being recommended for 2005 certification. He noted, "All of these businesses have completed the year-end certification package, have honored the requirements of the year-end certification.... Staff would recommend approval of all eight (8) companies."

Mr. Barros also commented, “Accompanying the Certification Report, as we’ve had over the last several months, is what we’re referring to as an Employment or Job Report, which is a breakdown of the jobs that are sort of categorized on the Certification Report. So we have each job broken down, the hourly rate, the title, and annualized wages for the job so we can take a look at the types of jobs that are being created..... We will also be giving a report at year-end for all of the companies we certified last year.... So we’ll be giving a comprehensive report on that next month.”

Mr. Clark inquired whether averages of the data in the reports could be provided.

Mr. Barros replied, “Actually, we normally do that on the annual reports. We’ll have a breakdown in average for the zone. We have a very comprehensive report. Not to jump the gun, we have a person who’ll be working with the EZ over the next year, next several meetings or so, and she’s working very comprehensively on the report. And, I think it’ll be pretty easy to incorporate into this monthly report also....”

Mr. Vild contributed, “The average manufacturing and production wage in Rhode Island right now is about \$13. We can use that statewide as a benchmark for businesses to see how the new jobs that come into the state compare. And, if you take a look at this list,

I'd say we should be proud of ourselves. I would imagine that jobs at \$13 or below are probably, they're probably just starting out."

Discussion continued generally as to the wages and jobs listed in each zone on the monthly report.

Mr. Caniglia then moved approval of all businesses on the certification list, Mr. Wood seconded and the motion was unanimously approved.

The fourth item of business before the Council was consideration of the 2004 Carry-Forward Authorization list.

Mr. Barros noted that only one company applied this month for a Carry-Forward Authorization. He added, "We probably average about twenty (20) companies so, annually we have about five (5) for the Carry-Forward Authorization. And, again, the important factor in what's reported on the form in front of you is that the employment benchmark is maintained the letters of good standing are satisfied and staff would recommend approval of the one company, Lumetta, [which has]met all the criteria to Carry-Forward any unused portion of a tax credit that was earned in 2004.

There being no discussion on the matter, Mr. Parsons moved approval of the carry forward, Mr. Caniglia seconded and the motion was unanimously approved.

The fifth item of business before the Council was review of the Redesignation Chart.

Mr. Barros brought it to the Council's attention that several zones are up for redesignation in 2006, including the northern Rhode Island, Providence and Providence II/Cranston zones. He thanked Michelle Godin for her assistance and noted that, according to law, the Council must notify each of the expiring zones within 180 days of their actual expiration. He added, "We want to avoid [any last minute problems] [and] be very active in getting this information out as soon as possible, and I would probably expect that during the summer months that we'll be handling redesignation for these zones. I will keep the Council informed as to what we actually send out and, obviously before we send it out we'll give a copy of what we're asking people."

Mr. Barros continued, "The Federal Enterprise community, as everyone is probably aware, expired a year ago December, December 31st. There is an issue that has come up with a number of the companies regarding their Carry-Forward, and I think we need to actually have a discussion and possibly have taxation prepare a statement on the issue...because ... it is not very clear how we would handle a Carry-Forward for the [federal] zone that has expired, where companies had previously earned Carry-Forward credits."

Ms. O'Shan commented that under such circumstances, there would be "no zone to have a benchmark in."

Mr. Barros added, "I think we should take, again, not to overuse the phrase, but a proactive approach. I'll have our legal counsel take a look at it. Tom will take a look at it and we'll discuss what we think and perhaps taxation will have a written statement on that...before we even get to it, because no one has applied yet from a federal zone and I expect that they will and they may even appeal the decision if we deny the tax credit."

Some general conversation ensued as to the background on the federal zone as well as the carry forward provision.

The sixth item of business before the Council was the responses to the draft reporting form that Mr. Barros had provided for comment. He noted that he had received some feedback, but was hopeful to receive more.

Vice Chairman Varin then inquired as to "the legislative front." Whereupon Mr. Barros replied that the only issue he was aware of was the proposal to add a census tract to the West Warwick zone, which would then include all of the Town of West Warwick in the zone.

Mr. Barros continued that he was also aware of the lingering issue of

allowing the Enterprise Zone Council to designate Enterprise Zones in Richmond and also in Newport. He noted that he had “been in contact with both of those municipalities” and that he had spoken with Mike Sullivan in his capacity as Richmond Town Council President with regard to the proposed Richmond zone.

Mr. Vild inquired whether Mr. Sullivan was still head of the DEM.

General conversation ensued noting that the appearance or perception of Mr. Sullivan’s loyalties or possible conflict of interest in his capacity as Richmond Town Council President and head of the DEM may be something he should be aware of. It was also mentioned that he might consider obtaining an ethics opinion about the issue.

Under new business, Mr. Barros then mentioned that he had information available regarding Rockland Trust Community Development LLC offering a new market tax credit program applicable to most Rhode Island Enterprise Zone businesses. He stated that “Rockland has thirty (30) million dollars that they’re lending to companies very aggressively and at a very subsidized rate.”

Finally, Mr. Barros advised the Council that “We need to schedule another meeting. We normally have one meeting a month, but given year-end certification, we do try to have two meetings in March. One right before the March 15th deadline so we make sure we get as many

businesses approved for the tax credit, so it would be a special meeting of the Enterprise Zone Council, but also an abbreviated meeting.... So, the date I was looking for, which will be two weeks from today, will be March 14th.

There being no further business to come before the Council, Mr. Parsons move to adjourn, Mr. Caniglia seconded and the motion was unanimous

**Rhode Island Economic Development Corporation
Enterprise Zone Council
Minutes of Meeting of March 14, 2006
RIEDC; 4th Floor, Room 1
One West Exchange Place
Providence, RI 02903**

Attendance:

Name Affiliation

Ron Caniglia (Council Member)

Bill Parsons (Chairman's Designee)

Dan Varin (Council Member)

Michael Wood (Council Member)

Name Affiliation

Victor Barros (EDC Staff)
Sheri Carrera (EDC Staff)
Bill Clark (Portsmouth - Business Development)
Kathy Cosentino (Providence Zone)
Alan Crisman (Mt. Hope Zone)
Kathi Flanagan (EDC Staff)
Paul Fournier (RIEDC)
Michelle M. Godin (Needs, Inc.)
Carmen Lorenzo (EDC Staff)
Thomas M. Madden (Legal Counsel)
Louis Soares (EDC Staff)
Rosalind Reid (EDC Staff)
Bruce Vild (Statewide Planning)

Vice Chairman Varin called the meeting of the Council to order at 10:05 a.m.

The first item of business before the Council was consideration of the 2005 Revised List for Certification (attached hereto as EXHIBIT A) including 29 member businesses. After some clarification as to which businesses were in which industries and confirmation that the jobs included on the list were indeed full time jobs, Mr. Barros commented that “the Enterprise Zone residents classification [included on the list] is not completed...and we also don’t have a breakdown of the jobs. The reason for that is, obviously, we didn’t have enough time to do that at this meeting, but we will supply that,

and the information does not go out to the companies [stating] their certification status until all that information is compiled. So, we will report back to the Council on this and give you a summary so you have a working year-to-date total to go forward with.”

Mr. Wood questioned, “I’ve brought this up in the past...having to do with sharing this information with the legislature. Is this something we’re interested in doing, sharing this information?”

Mr. Barros replied, “...One of the things that we’re going to do for companies that we certified last year ...is to present an overview of that with some detailed information..... We could actually report out to the General Assembly and blast email to the General Assembly itself, or just to leadership, or whatever the target audience is in the General Assembly. We could definitely pick a strategy there.”

Mr. Wood responded, “I think it would be a good thing to get some information out to the people who don’t know what’s going on in here. I think a lot of good things are going on here.”

General discussion regarding EZC data and reporting continued with Mr. Caniglia commenting, “The other focus is that a lot of these people are going to stay hired working for different companies so this is a nice trend to see that people will stay with [small member businesses].”

There being no further discussion, Mr. Wood moved approval of the list, Mr. Caniglia seconded and the list was unanimously approved.

The second item of business before the Council was consideration of the 2005 Revised List of Carry Forward Authorizations (attached hereto as EXHIBIT B).

Mr. Barros recommended approval of all 4 businesses on the list, noting that each had met its requisite reporting.

Mr. Caniglia then recused himself with regard to A.W. Bucci & Associates in the West Warwick Zone.

Mr. Parsons moved approval of all businesses on the list. Mr. Wood seconded the motion and the list was approved with Mr. Caniglia recusing himself and abstaining as to A.W. Bucci and all others voting in favor of the entire list.

The Council then heard Old or New Business including a brief discussion of recusals.

Mr. Vild then mentioned that he had seen a copy of the bill “that has to do with the expansion of the West Warwick Enterprise Zone. Apparently it’s being heard today and I ...[stated that I had no position on it]. So, I just wanted to let everybody know.”

Vice Chairman Varin queried whether the bill “sends it outside of census tracks?”

Some general discussion followed regarding the makeup of the West Warwick Zone.

Mr. Barros then stated, “This is just a reminder that packages will go out for the next Enterprise Zone Council meeting, which is two weeks from today on the 28th. We’ll have a full agenda package at that time.”

Mr. Parsons then moved adjournment of the meeting, Mr. Caniglia seconded, and the motion to adjourn was unanimously approved.